

State of the County Message

I appreciate the opportunity to continue the tradition of presenting the State of the County message to the citizens of Alexander County. The State of the County was extremely challenging in 2010. Despite a poor economy with high unemployment, there were a number of positive signs ahead.

Alexander County's unemployment rate for 2010 averaged 12.8 percent per month. While that is higher than the desired, the rate is 1.5% lower than in 2009. Additionally, Alexander County's unemployment rate in 2010 continued to be the lowest in the Unifour area.

Existing industry continued to be the backbone of the local economy and during 2010, Paragon Films completed a 60,000 sq ft expansion resulting in new investment of approximately \$10 million and creating 15 new jobs.

Other existing industry continued to provide a solid economic base for Alexander County such as Schneider Mills, Mitchell Gold/Bob Williams, Craftmaster Furniture, Shurtape Technologies, Taylor King, Hancock & Moore, and others.

Planning continued for development of sites in the Alexander Industrial Park. In May of 2010, that planning resulted in a site in the Industrial Park being recognized as a "Best Small Industrial Site" by the NC Railroad Company during their annual forum in Raleigh. Of 34 rail sites submitted across the state by economic development agencies, only 10 were selected for this recognition. Also, with funding assistance from EnergyUnited, at least one new industrial site is expected to be completed by the end of 2011. Preparation of new sites is critical in attracting new industry to the county and is a priority for Economic Development.

With funding from Duke Energy in 2010, the Economic Development Corporation also completed a marketing study which is intended to help target specific industries which are likely to locate in Alexander County, and Duke also provided funding for a Data Center Site Study to identify a potential data center location in Alexander County.

As a result of funding from county government, the Economic Development Corporation launched its first Website Creation Grant Program during 2010. This program provided critical funding which allowed 10 small businesses without websites to create a presence on the Internet. The program will continue during 2011 with the goal of growing small businesses in the county.

The Rocky Face Park project is a planned passive park to be located in the northeastern section of Alexander County, located along Rocky Face Church Road at the site of the former quarry. Construction of the park is being funded by a North Carolina Park & Recreation Trust Fund Grant and the match for those funds came from the park property, which was donated to Alexander County by the Land Trust (that formerly owned it). The first phase of this park project will include a 1.3-mile hiking trail across the mountain,

along with a 0.46-mile ADA-compliant walking trail, picnic shelter, restrooms, and a parking area for visitors. Preliminary designs for the project have been prepared and actual construction design has begun. The North Carolina Parks and Recreation Trust Fund grant was for \$476,000.

The contract for the locally owned and operated N.C. License Plate Agency in Alex. County was terminated February 2010. The N. C. Dept. of Motor Vehicles advertised for applicants to re-open License Plate Agency in Alex. County. After several months, a contract had not been awarded, and Alexander County applied for the contract. In May of 2010, the NCDMV awarded the contract to re-open a License Plate Agency to Alexander County. A site, which met NCDMV approval, had to be selected. There was much interest, particularly from the Town of Taylorsville and local merchants, to re-locate in downtown Taylorsville. A site was selected at 85 East Main Ave. Per NCDOT guidelines, based on projected volume of transactions, a minimum staff of 2.5 positions was advertised for, interviewed, and hired. The staff was required to attend a 3 week training session at the Raleigh DMV Office and on Aug. 24, 2010 the Alexander County License Plate Agency re-opened. The LPA is currently averaging 3,000 transactions per month, with most of the volume being annual license plate renewals and motor vehicle title transfers.

The fund balance of Alexander County's General Fund has improved to 18.95% as of June 30, 2010, but remains less than the average fund balance for comparably sized counties (24.45% at June 30, 2010). The Local Government Commission continues to recommend improvement in the County's financial condition and operations. Increasing fund balance helps local governments to: 1) finance operations during periods of declining revenues, 2) address emergencies and unexpected expenditures, and 3) take advantage of financial opportunities, such as grants with local match requirements.

The first debt service payment on the \$3,600,645 Drinking Water State Revolving Fund loan (Northeast Water Project) is due in May 2011. The first payment will be approximately \$339,000, including interest at 2.10%. Thereafter, the annual debt service will consist of interest-only payments each November and principal plus interest payments each May through May 2028.

The County recently borrowed \$10,000,000 for the new jail/law enforcement center construction and courthouse renovation project. Debt service payments will be due each July and January, including both principal and interest at 3.19% through January 2026. Debt service payments for this loan during the 2011-2012 year will be approximately \$980,000.

In October 2009 the State changed the allocation method for the Article 42 half-cent sales tax. This local sales tax is now allocated on a point of origin basis, which hurts counties like Alexander that do not have large retail shopping areas. As a result, the County is losing approximately 60% of this revenue stream. By NC Statute, a portion of the Article 42 local sales tax must be set aside for school construction and school debt service. In January 2010, a hold-harmless provision became effective that requires the County to set

aside enough money so the school system will not receive less than it did before the State changed the allocation method for Article 42 sales tax. The school hold-harmless provision has resulted in Alexander County setting aside more money for the school system's share of Article 42 sales tax than the County actually receives from Article 42. The amount budgeted for the school hold-harmless in 2010-2011 is \$264,000.

Counties receive their share of local sales taxes each month and as of the March 2011 distribution, the County's portion of total sales tax revenue is down 7% compared to the same time last year.

Some of the local sales taxes were not part of the State's action to change the allocation method to local governments. Article 39 one-cent sales tax, Article 40 half-cent sales tax, and Article 46 quarter-cent sales tax are the three local sales taxes that still have the same allocation method. As of the March 2011 distribution, the County's portion of these three sales tax articles is up almost 8% in the last 10 months.

Alexander County Schools percentage of highly qualified teachers was 97.09%. We were the only system in the state to have 100% Highly Qualified Teachers during the previous three out of four years. (we are no longer 100% due to changes in the certification process for EC teachers)

Our school system ranked 27th out of 115 school systems with a teacher turnover rate of 8.29% (this counts our retirements which is approximately 3% of this total) The state average was 11.10%.

We have 76 active nationally certified teachers or 17.88% of all certified personnel employed and holding NBPTS Certification.

The Alexander County School System ranks well compared with other unfour systems in all of these categories. Out of Burke County, Catawba County, Hickory City, Newton-Conover, Caldwell County, Iredell-Statesville, and Wilkes County only Burke County had a lower teacher turnover rate (5.27%) and only Caldwell County has a higher percentage of National Board Certified Teachers (18.66%).

The Alexander County Schools have 428 certified staff and 414 non-certified staff.

There are 240 classrooms that have the Promethean ActivBoards, document cameras, and projectors installed. These 21st Century Classrooms are interactive for students and this project has been the number one priority of the Alexander County Board of Education for the past three years.

The 2010-2011 budget has been very challenging. The Alexander County Board of Education had to revert \$1,144,861.00 back to the state before we completed our budget.

The 2011-2012 budget is currently being developed by the N.C. House of Representatives and the N.C. Senate. The state of North Carolina faces a budget deficit in excess of 3

billion dollars. The projected budget decreases to education are alarming and are cause for concern.

On November 17, 2010, the Alexander County GIS Department coordinated the second annual GIS Day at the Alexander Central High School Auditorium with the help from the Alexander School System. Over 600 students and members of the general public attended this free event and that was the largest GIS Day event in the State of North Carolina. Nearly 30 different booths were on display to demonstrate GIS uses throughout County Government as well as local companies. In addition to 14 County departments, presenters included: Baptist Hospital Air Care Helicopter, Caldwell County GIS, Carl Bunton & Associates, Central Fire Department, Energy United, ESRI, Kucera International, Mobile 311, NC State Highway Patrol, Quality Maps, US Census Bureau, West Consultants, Western Piedmont Council of Governments and several Alexander County High School student presenters.

The Alexander County GIS Department also headed up a regional seven county GIS mapping website, the first of its kind in the State of North Carolina. This simple and easy to use website allows citizens to browse real estate records and view maps for all of Alexander, Burke, Catawba, Caldwell, Iredell, Lincoln and Wilkes counties in a single site. The greatest benefit is the ability for users to access this information from a single website instead of having to visit seven different county mapping sites. This mapping site was developed at no cost to the counties with the assistance of ROK Technologies from Charleston, SC. This project received a second place award at the 2011 North Carolina State-wide GIS Conference. Users can visit this site by following the link on the Alexander County's homepage or by linking directly at this web address <http://maps.roktech.net/WesternFootHills/>.

The Church Road Water Line project will extend an 8-inch diameter waterline along Church Road from US Highway 64 South to Liledoun Road with an alternated proposal to extend service to Friendship Church Road depending on funding. This project will provide much-needed water service to an estimated 80 residences along the route. The overall project has an estimated cost of \$700,000 and is being partially funded by a 2010 grant from the NC Rural Economic Development Center. Design for the project has been completed and permits are currently being prepared. It is estimated that construction could begin as early as this summer.

On April 19th 2010 Alexander County signed an agreement between Alexander County and the Town of Taylorsville for the County to bill and collect all taxes for the Town. We have had minimal problems with this process and it has been a success. The 2010 levy for the Town is \$579,080.

We are continuing to have great success with collections of delinquent taxes on real property being transferred. This is due to a resolution adopted by the Alexander County Commissioners on May 18th, 2009. This action has prevented a lot of problems for the Tax Office and continues help collection of delinquent tax accounts.

Status on collection for the levy year 2010

Our overall collection as of March 18, 2011 is as follows:

Levy Year 2010 07/01/2010 thru 03/18/2011

	RGC	Billed	Collected	Outstanding	Collections %
Totals	16,640,039.82	15,463,357.37	1,176,712.45	92.92	

Note these numbers includes the Town of Taylorsville Levy

The Senior Center continues to be a vibrant source for programs and activities for our senior community. During the course of this past year, the Senior Center has provided over 1500 programs and activities which served over 16,000 seniors. Our growing percentage of seniors in our community has prompted us to expand the scope and focus of its mission. Today's seniors are more educated, and more technologically sophisticated which demand a different approach to the program.

They deal with Medicare and health insurance needs daily throughout the year, as they assist people with Medicare Part D enrollments, issues and problems. During this past Medicare Part D Open Enrollment Period, they assisted over 400 individuals in selecting the least expensive drug plan for their specific medications. This research resulted in changing over 90% to a different and less expensive plan for 2011 which was a great savings for our Alexander County seniors.

Alexander County Board of Commissioners meetings and other important public information concerning Alexander County can be view on the Alexander County Government Channel. This is broadcasted on channel 3 on Charter Communications and can also be viewed online at www.alexandercountync.tv and www.vimeo.com/alexandercounty. Alexander County will also broadcast extended coverage of the last two space shuttle flights via a live NASA satellite feed on the Government Channel. These flights are currently scheduled for April 19, 2011 and June 28, 2011 and are subject to change according to NASA's schedule.

Citizens of Alexander County can now get important updates such as weather alerts, closings and other critical information through Facebook and Twitter. You can go to the County website at www.alexandercountync.gov and follow the links at the bottom of the page to subscribe to Alexander County's Facebook and Twitter page. Citizens can also get lots of information about County services by following the Alexander County blog page. The County blog can also be reached through the links at the bottom of the Alexander County web page.

Alexander County citizens continue to volunteer many hours each year to help our communities. Whether it's volunteering in Recreation, Senior Center, or the Library, our citizens step up to assist fellow citizens in need. Alexander County is a great place to live because of the contribution of so many volunteers.

In closing, Alexander County will continue to feel the economic impacts of the worst recession since the Great Depression. State wide numbers indicate large loses in income and sales tax collections. Governor Perdue has ordered state agencies to reduce 10% from their budgets, which are currently greatly reduced. Our state is looking at a \$3 billion reduction in budget for the upcoming year. The impacts on citizens will be dramatic. Our budget challenges will continue to be very difficult, but working together, we will do our best for all the citizens of Alexander County. Thank you to my fellow commissioners, our county employees and May God Bless You. Thank you.

Jobs created or committed:

Lake Norman Propane	-- 4 --	IDI grant
Paragon Films	--26--	IDI grant, state grants rail construction
ARC Technologies	--6--	Site cleanup assistance
Liberty Reload	--6--	IDI grant, state grant rail construction
Mitchell Gold	--40--	Building Reuse Grant for old Bassett building & Revolving Loan Fund
Royale Comfort	--50--	Revolving Loan Fund to assist relocation
Carrigan Trucking	--20--	Revolving Loan Fund to purchase new equipment, retain jobs
Schneider Mills	--12--	IDI grant for new equipment
Industrial Timber	--42--	Site assistance
Craftmaster	--77--	CDBG for sewer construction, new job creation
Jasper Seating	--40--	Building Reuse Grant
Piedmont Fiberglass	--75--	Building Reuse Grant
Schneider Mills	--17--	IDI grant for new equipment
Schneider Mills	--20--	IDI grant for new equipment
Schneider Mills	--20--	IDI grant for new equipment
Mitchell Gold	--24--	IDI grant for new equipment
Westgate Home	--30--	Building Reuse Grant
Piedmont Fiberglass	--5---	Building Reuse Grant
Caye Home, et al.	--165--	One NC Grant
Paragon Films	--15--	IDF Grant, Rural Center Economic Infrastructure Grant
Composite Fabrics	--10--	Building Reuse Grant
TOTAL	--704--	

Grant Funds Obtained

Paragon Films Rail Leaf	\$428,372 – NCDOT, CDBG, Norfolk Southern, Golden
Mitchell Gold	\$125,000 – NC Rural Center Building Reuse
ARC Technologies	\$51,500 – Alexander County site cleanup assistance
Liberty Reload	\$80,500 – Rail grant NC DOT
Hiddenite Sewer	\$750,000 – CDBG
Hiddenite Sewer	\$500,000 – CDBG
Hiddenite Water	\$200,000 – Appalachian Regional Commission
Hiddenite Sewer	\$100,000 – County Matching funds
Piedmont Wood	\$5,000 – clean up assistance
Piedmont Fiberglass	\$250,000 – NC Rural Center Building Reuse
Jasper Seating	\$83,000 – NC Rural Center Building Reuse
Westgate	\$300,000 - NC Rural Center Building Reuse
Piedmont Fiberglass	\$56,653 – NC Rural Center Building Reuse

Caye Home Furnishings	\$250,000 – One NC Grant
Paragon Films Grant	\$150,000 – NC Rural Center Economic Infrastructure
Paragon Films	\$150,000 – Industrial Development Fund
Composite Fabrics	\$19,000 – NC Rural center Building Reuse
Website Grant	\$5,000 – Alexander EDC
TOTAL	\$3,504,025

Revolving Loan Fund Activity

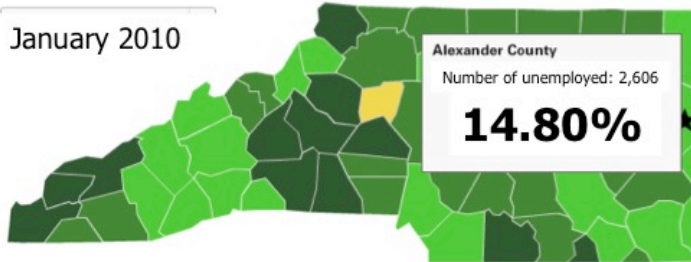
Mitchell Gold	\$100,000
Royale Comfort	\$50,000
Carrigan Trucking	\$30,000
Piedmont Wood	\$25,000
Hometown Medical	\$8,100
TOTAL	\$213,100

Industrial Development Incentive Grants Awarded:

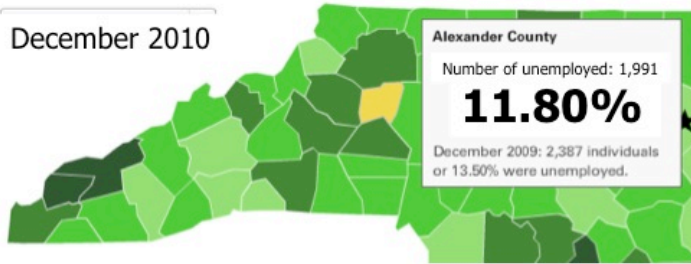
(Estimated benefit over period of grant)

Paragon Films	\$275,700
Lake Norman Propane	\$4,400
Liberty Reload	\$20,200
Mitchell Gold + Bob Williams	\$43,300
Schneider Mills	\$215,878
Paragon Films (2010 Expansion) 2011)	\$300,000 (grant to be officially awarded in 2011)
TOTAL	\$859,478

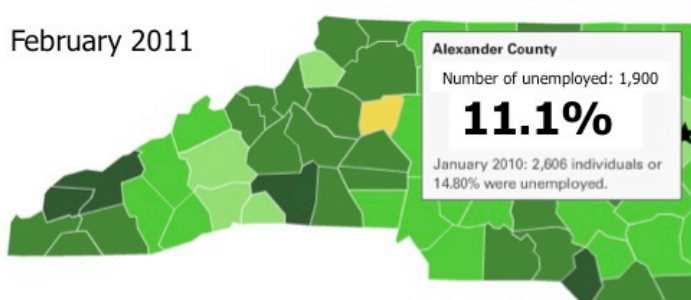
January 2010



December 2010



February 2011



2010



2011

Paragon Films Expansion:

60,000 sq. ft.

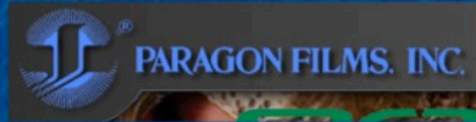
\$10 - \$12 million investment

15 new jobs



Existing Industry

With approximately 30 percent of the workforce holding manufacturing jobs, Alexander County has one of the highest manufacturing workforce percentages in the state.



HANCOCK & MOORE

Mitchell Gold
+ Bob Williams

TAYLOR  KING



progress
in motion 

Website Grant Program

R.E. FOY & SON
BUILDERS Inc.
residential | commercial

Brigette's
STAFFING, INC.

**Warren's Complete Auto Care Center
& Transmission Repair**



Three Generations of Service Experience!
LITTLE EGYPT AUTOMOTIVE, INC.

SEAWORTHY SEATING, INC.
Custom Boat Upholstery

(Sites under construction)
Harrington's Machine Shop
Harrington Construction Company

Designs by:

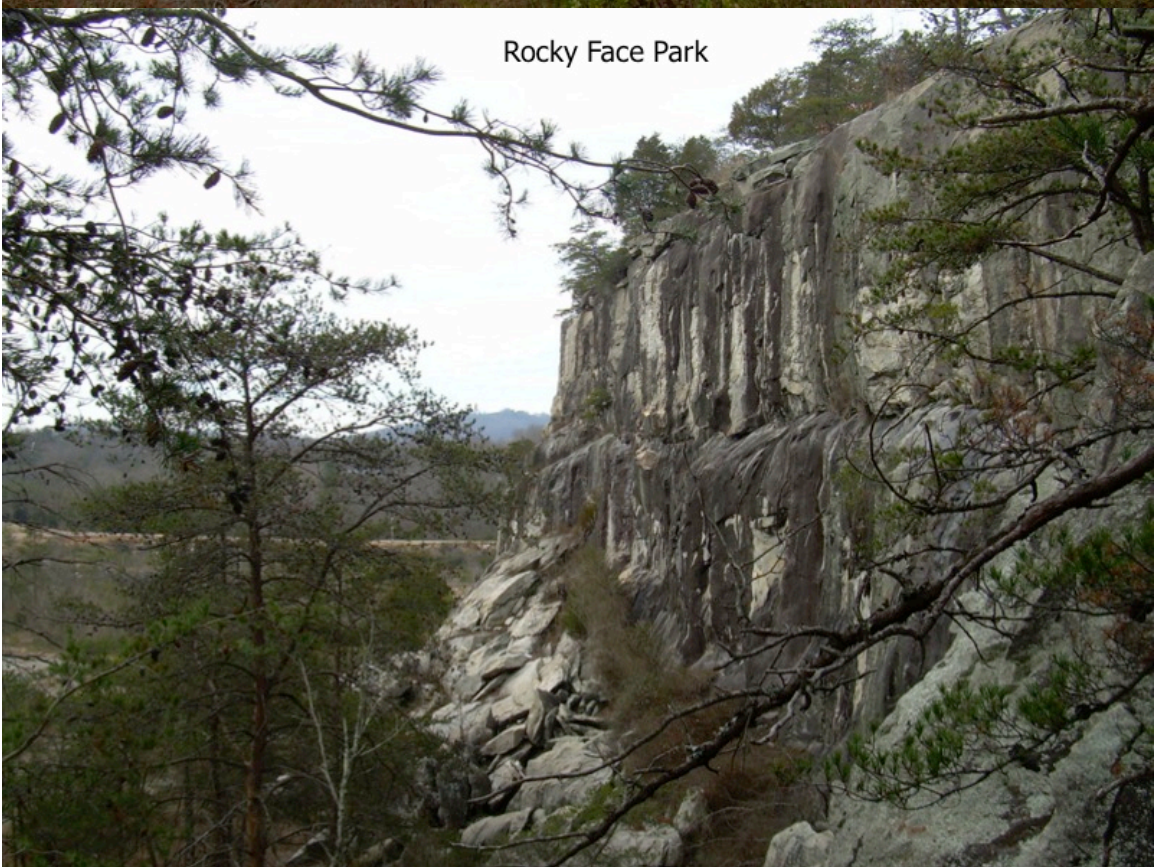
Beasley Power Equipment

Presentations
On The Web

Rocky Face Park



Rocky Face Park



Rocky Face Park



Rocky Face Park

